

Message Text

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ACTION EUR-06

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----- 103529

R 171444Z APR 74

FM AMEMBASSY WARSAW

TO USDOC WASHDC

INFO SECSTATE WASHDC 8620

AMEMBASSY VIENNA

AMEMBASSY STOCKHOLM

AMCONSUL POZNAN

UNCLAS WARSAW 2126

E.O. 11652: N/A

TAGS: EFIN, ETRD, PL

SUBJECT: SWEDES WIN CONTRACT FOR CONSTRUCTION OF SLAUGHTERHOUSE/
MEAT PROCESSING PLANT

VIENNA FOR EWTC

DEPARTMENT PASS TO EXIM

COMMERCE FOR BEWT/TDAD AND LOTARSKI

1. OFFICIAL OF POLIMEX-CEKOP FOREIGN TRADE ENTERPRISE CONFIRMED TO EMBASSY THAT SWEDISH FIRM BPA BYGGPRODCKTION AB OF STOCKHOLM HAS WON OUT OVER TWO U.S. BIDDERS AND WEST GERMAN-FRENCH CONSORTIUM IN GAINING \$33-34 MILLION CONTRACT FOR TURN-KEY CONSTRUCTION OF SLAUGHTERHOUSE AND MEAT PROCESSING PLANT COMPLEX AT ZIELONA GORA.

2. THE EPSTEIN COMPANIES OF CHICAGO, NOW EXECUTING CONTRACTS VALUED AT ALMOST \$100 MILLION IN POLAND FOR TURN-KEY CONSTRUCTION OF THREE MEAT PLANT PROJECTS, BID ON THE ZIELONA GORA PROJECT BUT WAS ELIMINATED EARLY IN THE YEAR AND NEVER REALLY SEEMED TO US TO BE IN CONTENTION. GLOBE SERVICES INTERNATIONAL INC. OF CHICAGO--THE CONSTRUCTION ARM OF SWIFT & COMPANY--FOUGHT HARD FOR THE CONTRACT AND WAS IN THE RUNNING UNTIL VERY CLOSE TO THE
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END. EMBASSY WORKED WITH BOTH US BIDDERS, AND, OVER PAST

FEW WEEKS, ESPECIALLY WITH GLOBE, WHICH HAS YET TO GAIN MAJOR CONSTRUCTION CONTRACT IN POLAND.

3. POLIMEX-CEKOP OFFICIAL SAID THEY HAD NOTIFIED BOTH U.S. FIRMS THAT CONTRACT AWARDED TO BPA. ALTHOUGH BPA NOW CONSTRUCTING WARSAW INTERNATIONAL TRADE CENTER, ZIELONA GORA CONTRACT MARKS FIRST ENTRY OF SWEDEN INTO MEAT PLANT CONSTRUCTION IN POLAND. POLIMEX-CEKOP OFFICIAL SAID BPA WON BECAUSE OF ITS PRICE AND CONDITIONS OF CREDIT. HE DENIED THAT VISIT HERE EARLY THIS MONTH BY SWEDISH PREMIER HAD ANYTHING TO DO WITH AWARDING OF CONTRACT. EMBASSY WAS TOLD SEPARTELY THAT SWEDES WERE OFFERING INTEREST RATE OF 7 PERCENT AND GERMAN-FRENCH CONSORTIUM 6.7 PERCENT. (BEGIN FYI. GLOBE DROPPED ITS PRICE CONSIDERABLY BUT APPARENTLY WAS HAMPERED BY INTEREST RATE IT COULD OFFER, I.E., MELD OF EXIM'S 7 PERCENT PLUS U.S. COMMERCIAL BANK RATE IN EXCESS OF 9 PERCENT, AND ALSO BY FACT THAT NON-U.S. PORTION OF ITS PACKAGE WAS SUBSTANTIAL. GLOBE ATTEMPTED TO LINK FORCES WITH BPA TWO MONTHS AGO, BUT BPA UNWILLING. GLOBE ATTEMPTED TO ARRANGE LONG-TERM FINANCING THROUGH SWISS BANK BUT THIS ALSO DID NOT WORK OUT. END FYI)

4. EMBASSY'S IMPRESSION IS THAT BOTH EPSTEIN AND GLOBE WERE GIVEN FULL HEARING BY POLES BEFORE FINAL DECISION MADE.
DAVIES

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NNN

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